

FROM THE DESK OF THE CEO (44/17)

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Justin Chadwick 17 November 2017



“You can live to be a hundred if you give up all the things that make you want to live to be a hundred” Woody Allen

CHINESE ON-LINE RETAILING

JD.COM claims to be China's biggest e-retailer by volume – even exceeding Alibaba. At Asia Fruit Logistica, buyers from JD.COM expressed an interest in sourcing more South African citrus, and invited Fruit South Africa to visit their offices. A group from Fruit South Africa visited JD.COM headquarters in Beijing – a building with state of the art security (using facial recognition for entry, and for retailing in their on-site store (where new technologies are tested)), which houses 14 000 employees (total employment 140 0000). They operate mostly in China – but also Indonesia and Thailand. They do US \$ 136 billion in annual sales. The figures on fresh produce sales are extremely impressive – In one day in July 2017, 180 tons of US cherries were sold on line, on one day in January 2017, 165 tons of Chilean cherries were sold on-line, on 14 April 2017, they sold 160 tons of Kiwi fruit. They sold 140 000 Canadian lobsters on line in one day in 2017. E retailing has taken off in China.

Discussions were around leading with promotions as the South African citrus season starts up in 2018; with over 300 million JD.COM subscribers the message of new, in-season fruit reaches a wide audience, and it drives customers to the category.

JAPAN – ELDERLY CONSUMERS

Japan enjoys the highest longevity amongst OECD countries and does relatively well in improving health outcomes, but it has room to improve in areas such as smoking rates and hospital stays, according to the latest edition of a biennial health care report issued last week by the Organisation for Economic Cooperation and Development. Japan's life expectancy is 83.9 years compared to the OECD average of 80.6 years. It also boasts the lowest obesity rate of 3.7%, significantly lower than the OECD average of 19.4%.

Healthy lifestyles is put forward as one of the reasons for the favorable health outcome. With a high per capita consumption of fresh produce, and particularly citrus, this could be an example for other nations to follow. In particular, Japan has always been the highest per capita consumer of grapefruit; a superfood when it comes to health aspects.

As an aside, Japan has the highest number of hospital beds per capita, at 13.2 per 1000. Patients who have a social – rather than medical – need to stay often occupy these. I hope that does not mean that you cannot be old AND happy.

South Africa is still pursuing a long-outstanding matter with the Japanese Ministry of Agriculture, Forestry and Fisheries. Since gaining access for clementine's South Africa has exported just one container – all attempts to broaden the range of soft citrus varieties have been unsuccessful. The Japanese work on one cultivar at a time, which is both against WTO laws (illegal) and illogical. All soft citrus cultivars have the same associated pests, and all can be mitigated using the same treatment. Hopefully in the not too distant future sense will prevail.

PACKED AND SHIPPED

To End Week 45 Million 15 Kg Cartons	Packed	Packed	Packed	Shipped	Shipped	Original Estimate	Latest Prediction	Final Packed
SOURCE: PPECB/AGRIHUB	2015	2016	2017	2016	2017	2017	2017	2016
Grapefruit	16.1 m	13.8 m	15.7 m	13.2 m	15.4 m	15.6 m	15.7 m	13.8 m
Soft Citrus	10 m	12.2 m	13.4 m	11.3 m	13 m	13.2 m	13.4 m	12.2 m
Lemons	15 m	15 m	19 m	14.6 m	18.8 m	17.5 m	19 m	15 m
Navels	24.5 m	26.2 m	21.1 m	25.5 m	21.1 m	26.3 m	21.1 m	26.2 m
Valencia	52.5 m	41.8 m	53.8 m	39.8 m	50.9 m	50.1 m	53.8 m	41.8 m
Total	118.1 m	109 m	123 m	104.4 m	119 m	122.7 m	123 m	109 m

THE CGA GROUP OF COMPANIES (CRI, RIVER BIOSCIENCE, XSIT, CGA CULTIVAR COMPANY, CGA GROWER DEVELOPMENT COMPANY & CITRUS ACADEMY) ARE FUNDED BY SOUTHERN AFRICAN CITRUS GROWERS